

WCC 02-195

READ INSTRUCTIONS CAREFULLY BEFORE PROCEEDING (1) LOCKBOX # 358145	FEDERAL COMMUNICATIONS COMMISSION REMITTANCE ADVICE	Approved by OMB 3060-0589 Page No. <u>1</u> of <u>1</u>
		SPECIAL USE FCC USE ONLY
SECTION A - PAYER INFORMATION		
(2) PAYER NAME (if paying by credit card, enter name exactly as it appears on your card) Citizens Communications Company		(3) TOTAL AMOUNT PAID (U.S. Dollars and cents) \$815.00
(4) STREET ADDRESS LINE NO. 1 2060 Brighton-Henrietta TL Rd		
(5) STREET ADDRESS LINE NO. 2 <div style="text-align: right;">FCC/MELLON JUN 17 2002</div>		
(6) CITY Rochester	(7) STATE NY	(8) ZIP CODE 14623
(9) DAYTIME TELEPHONE NUMBER (include area code) 716-777-5619	(10) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) AND TAX IDENTIFICATION NUMBER (TIN) REQUIRED		
(11) PAYER (FRN) Not Applicable	(12) PAYER (TIN) 06-0619596	
IF PAYER NAME AND THE APPLICANT NAME ARE DIFFERENT, COMPLETE SECTION B IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C)		
(13) APPLICANT NAME Citizens Telecommunications Company of North Dakota		
(14) STREET ADDRESS LINE NO. 1 2378 Wilshire Boulevard		
(15) STREET ADDRESS LINE NO. 2		
(16) CITY Mound	(17) STATE MN	(18) ZIP CODE 55364
(19) DAYTIME TELEPHONE NUMBER (include area code) 952-491-5564	(20) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) AND TAX IDENTIFICATION NUMBER (TIN) REQUIRED		
(21) APPLICANT (FRN) 0004-3409-31	(22) APPLICANT (TIN) 06-1557680	
COMPLETE SECTION C FOR EACH SERVICE. IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET		
(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE CUT	(25A) QUANTITY
(26A) FEE DUE FOR (PTC) \$815.00	(27A) TOTAL FEE \$815.00	FCC USE ONLY
(28A) FCC CODE 1	(29A) FCC CODE 2	
(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	FCC USE ONLY
(28B) FCC CODE 1	(29B) FCC CODE 2	
SECTION D - CERTIFICATION		
(30) CERTIFICATION STATEMENT I, <u>John B. Adams</u> , certify under penalty of perjury that the foregoing and supporting information is true and correct to the best of my knowledge, information and belief. SIGNATURE <u>John B. Adams</u> DATE <u>06/17/02</u>		
SECTION E - CREDIT CARD PAYMENT INFORMATION		
(31) <input type="checkbox"/> MASTERCARD	MASTERCARD/VISA ACCOUNT NUMBER	EXPIRATION DATE
<input type="checkbox"/> VISA	I hereby authorize the FCC to charge my VISA or MASTERCARD for the service(s) authorization herein described.	
SIGNATURE _____		DATE _____

SEE PUBLIC BURDEN ON REVERSE

FCC FORM 159

FEBRUARY 2000 (REVISED)

WC 02-195

JOINT PETITION FOR APPROVAL OF A STREAMLINED TRANSFER OF CONTROL

This application is being filed to ensure Citizens-ND's compliance with Section 214 of the Act and Section 63.03 of the Commission's rules. Dickey Rural expresses no opinion as to Citizens-ND's status vis-a-vis Section 214 of the Act. However, Dickey Rural believes that grant of the application would not confer fully subject status on Dickey Rural given the nature of the facilities involved, i.e., local facilities. *See* 47 U.S.C. § 221(b).

1. The name, address and telephone number of each applicant

Citizens Telecommunications Company of North Dakota
2378 Wilshire Blvd.
Mound, Minnesota 55364
Attention: Kevin Saville
952-491-5564

Dickey Rural Access, Inc.
9628 Highway 281
Ellendale, North Dakota 58436
Attention: Darren Moser
701-344-5010

2. The government, state, or territory under the laws of which each corporate or partnership applicant is organized

Citizens-ND is a Delaware corporation.

Dickey Rural is a North Dakota corporation.

3. The name, title, post office address, and telephone number of the officer or contact person, such as legal counsel, to whom correspondence concerning the application is to be addressed

Citizens-ND:

John B. Adams
Kraskin, Lesse & Cosson, LLP
2120 L Street, N.W., Suite 520
Washington, D.C. 20037
Tel. – 202-296-8890
Fax -- 202-296-8893

Dickey Rural:

Benjamin H. Dickens, Jr.
Mary J. Sisak
Blooston, Mordkofsky, Dickens,
Duffy & Prendergast
2120 L Street, N.W., Suite 300
Washington, D.C. 20037
Tel. – 202-659-0830
Fax. -- 202- 828-5568

4. **The name, address, citizenship and principal business of any person or entity that directly or indirectly owns at least ten (10) percent of the equity of the applicant, and the percentage of equity owned by each of those entities (to the nearest one (1) percent)**

Citizens-ND is a wholly owned subsidiary of Citizens Communications Company, a Delaware corporation having its principal place of business at 3 High Ridge Park, Stamford, CT 06095. Citizens Communications Company is a publicly traded corporation in which no individual or entity owns an equity interest of ten percent or more.

Dickey Rural is a wholly owned subsidiary of Dickey Rural Enterprises, Inc., which is a wholly owned subsidiary of Dickey Rural Telephone Cooperative, a cooperative association operating under the laws of North Dakota. Dickey Rural Telephone Cooperative is a member owned association. No member owns an interest of ten percent or more in Dickey Rural Telephone Cooperative.

5. **Certification pursuant to 47 C.F.R. sections 1.2001 through 1.2003 that no party to this application is subject to a denial of Federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988. See 21 U.S.C. § 853**

Citizens-ND and Dickey Rural certify, pursuant to Sections 1.2001 through 1.2003 of the Commission's Rules, that neither they, nor any of their affiliates, within the meaning of Section 3(1) of the Communications Act of 1934, as amended, are subject to a denial of Federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 853.

6. **Description of the transaction**

- A. **Background**

Citizens-ND is in the process of selling five of the eight exchanges it owns in North Dakota. Two of those exchanges, Gwinner and Lisbon, are being sold to Dickey Rural; one exchange, Pembina, North Dakota, is being sold to Polar Telecommunications, Inc.; and two

exchanges, Wyndmere and Fairmount, North Dakota, are being sold to Red River Telecom, Inc. As discussed in Section 12, below, these five exchanges are being sold because they can be operated more efficiently by other incumbent LECs already operating in close proximity. Upon consummation of the three transactions, Citizens-ND will continue to operate three exchanges in North Dakota -- Williston, Alexander and Watford City. Neither Citizens-ND nor any of its affiliates will provide competitive local exchange operations in any of the exchange areas being sold in this series of transactions.

B. The transaction that is the subject of this application

In this particular transaction, Citizens-ND is selling two exchanges, Gwinner and Lisbon, to Dickey Rural. This transaction includes all assets, except those specifically excluded by the Purchase and Sale Agreement between the parties, associated with those exchanges. The transaction, "involves only the transfer of the local exchange assets of an incumbent LEC by means other than an acquisition of corporate control." See Section 63.03 (b) (1) (iii) of the Commission's Rules. Upon consummation of this transaction, Dickey Rural will become an incumbent LEC in the Gwinner and Lisbon, North Dakota exchange areas.

Dickey Rural was created to purchase and operate the Gwinner and Lisbon exchanges. It is a subsidiary of Dickey Rural Telephone Cooperative, which presently serves 21 exchanges with approximately 2,700 access lines within its existing North Dakota study area. Dickey Rural Telephone Cooperative also has another incumbent LEC subsidiary in its study area, Dickey Rural Communications, which presently serves 10 exchanges with approximately 6,100 access lines. The Gwinner and Lisbon exchanges, when acquired by Dickey Rural, will, upon Commission approval, be added to the existing Dickey Rural Telephone Cooperative study area.

7. Description of the geographic areas in which the transferor and transferee (and their affiliates) offer domestic telecommunications services, and what services are provided in each area

The Gwinner and Lisbon exchanges are located in Southeastern North Dakota, a very rural, sparsely populated farming area. The Gwinner exchange serves approximately 588 access lines and the Lisbon exchange serves approximately 1,904 access lines. The two exchanges serve portions of three counties, each of which has the following population as of the most recent census: Ransom County, with a population of 5,890; Dickey County, with a population of 5,757; and Sargent County, with a population of 4,366. The major towns and their populations served by the two exchanges are Ellendale (Dickey County), with a population of 1,559; Lisbon (Ransom County), with a population of 2,292; and Gwinner City (Sargent County), with a population of 717.

Citizens-ND, an incumbent LEC, provides a full range of residential and business local exchange, switched and special access, custom calling, and information services in the two exchanges that are being sold to Dickey Rural. Dickey Rural will provide comparable services when it takes ownership of the Gwinner and Lisbon exchange areas, both of which will be operated as part of the Dickey Rural Telephone Cooperative family of rural incumbent LECs.

8. A statement as to how the application fits into one or more of the presumptive streamlined categories in Section 63.03 or why it is otherwise appropriate for streamlined treatment

This transaction qualifies for presumptive streamline treatment because it "involves only the transfer of the local exchange assets of an incumbent LEC by means other than an acquisition of control." See Section 63.03 (b) (1) (iii) of the Commission's Rules.

9. Identification of all other Commission applications related to the same transaction.

None.

10. A statement of whether the applicants are requesting special consideration because either party to the transaction is facing imminent business failure

Neither party is facing imminent business failure. Accordingly, no special consideration of this application on this ground is requested.

11. Identification of any separately filed waiver requests being sought in conjunction with the transaction

On April 5, 2002, Citizens-ND and Dickey-Rural filed a joint petition seeking "study area waivers" pursuant to Section 61.41 (c) and (d) and Sections 69.3 (e) (11) and 69.605 (c) of the Commission's Rules.

12. A statement showing how grant of the application will serve the public interest, convenience and necessity, including any additional information that may be necessary to show the effect of the proposed transaction on competition in domestic markets

Citizens-ND acquired the North Dakota exchanges that are the subject of this transaction from Qwest on October 30, 2000. The North Dakota acquisitions were part of a larger series of transactions in which the Citizens Communications Companies were acquiring rural local exchange operations from Qwest throughout the Western states. The North Dakota transaction involved small "islands" of exchanges in the State as part of a much larger series of transactions that would allow the Citizens Communications Companies to create cohesive and viable regional operations in the West. However, the larger series of transactions was ultimately aborted, thereby making it extremely difficult to achieve regionalized economies of scale with the five small North Dakota exchange areas that Citizens-North Dakota has contracted to sell.

Insofar as the Gwinner and Lisbon exchanges are concerned, Dickey Rural and its affiliates are established, incumbent LECs already operating in adjacent exchange areas. The Dickey Rural Telephone Cooperative family of companies is geographically and operationally situated to operate these small exchanges in a highly efficient manner as a natural extension of

their existing operations. The two exchanges will become an integral part of the operations of an experienced "North Dakota" carrier. Accordingly, the public convenience and necessity will be served by a grant of this petition.

Conclusion

For the reasons stated herein, the parties request that the Commission accord this joint petition presumptive streamlined treatment status and, upon due considerations of the facts before it, issue an order approving the transaction.

Respectfully submitted,

CITIZENS TELECOMMUNICATIONS
COMPANY OF NORTH DAKOTA

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John B. Adams

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Its Attorney

DICKEY RURAL ACCESS, INC.

By J. B. Adams by permission for
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Its Attorney

This 17th day of June, 2002